From: **Ricker, Monique T. EOP/USTR** Monique_T_Ricker@ustr.eop.gov
Subject: RE: FOIA Request (USTR-18-0738)
Date: February 13, 2019 at 11:30 AM
To: American Oversight FOIA foia@americanoversight.org
Cc: FN-USTR-FOIA FN-USTR-FOIA@ustr.eop.gov

Mr. McGrath,

This email is the final response of the Office of the United States Trade Representative (USTR) to Freedom of Information Act (FOIA) No. FY19-10 submitted on October 23, 2018 requesting communications containing the search terms “tarif*”, “tarrif*”, “exempt*”, or “exclu*” and various search terms. The timeframe for the search was between January 20, 2017 and October 25, 2018, the date the search was conducted.

After a search of our files utilizing eDiscovery software, we have located 127 pages of responsive records of which we are releasing in part 81 pages, withholding in full 42 pages, and referring to the Department of State four pages. Because of the size of the file, we have uploaded the 81 pages to a share drive accessible via the following link: https://drive.max.gov/share/6e5a516a7c7b6c10

We have redacted portions of these records because we reasonably foresee that disclosure would harm an interest protected by FOIA Exemptions 1, 5, or 6. Exemption 1 applies to communications that contain or refer to Comprehensive Economic Dialogue (CED) negotiating documents properly classified by the Department of Treasury at the confidential level under a confidentiality agreement between the governments of the United States and China. Exemption 5 protects from disclosure "inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency." The materials are exempt under the deliberative process privilege, which protects the decision-making processes of the executive branch in order to safeguard the quality and integrity of governmental decisions. The deliberative process privilege protects materials that are both pre-decisional and deliberative. The privilege covers records that reflect the give-and-take of the consultative process and in this instance includes draft talking points, staff recommendations related to the 201 process (washers and solar) and the China auto market, inter-agency comments on a draft MOU with China, proposed responses to public comments on the $200 billion list, and briefing materials prepared in advance of meetings with Whirlpool and GE, the French Minister of Economy and Finance and China’s Vice Premier Liu. These records reflect the personal opinions of the writer rather than the policy of the agency. The release of these records would have a chilling effect on the USTR’s deliberative processes and expose the USTR’s decision-making process in such a way as to discourage candid discussion within the agency, and thereby undermine its ability to perform its mandated functions. Exemption 5 also protects communications directly involving and documents actually viewed by the President, as well as documents solicited and received by the President or his “immediate White House advisers,” *Elec. Privacy Info. Ctr. v. DOJ*, 584 F. Supp. 2d 65, 81 (D.D.C. 2008) quoting *Judicial Watch v. U.S. Dep’t of Justice*, 365 F.3d 1108, 1115-16 (D.C.Cir.2004). We withheld in full two, two-page decision memoranda prepared for the President on section 201 actions on large residential washing machines and solar cells and modules. Finally, we have redacted cell phone numbers and non-public email addresses pursuant to FOIA Exemption 6, which protects personal information the release of which would not shed light on the performance of the agency's statutory duties.

We have located one additional document, a DoS cable, totaling four pages that “originated in” or “substantially concern” the Department of State (DoS). Therefore, we referred the record to the DoS FOIA Office which will respond to you directly. You may contact the DoS FOIA Requester Service Center at (202) 261-8484 and FOIArequest@state.gov.

This constitutes a complete response to your request. You may contact me or my colleague Melissa Keppel by email at FOIA@ustr.eop.gov or 202-395-3419 for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

If you are not satisfied with the response to this request, you may also administratively appeal by writing to: FOIA Office, GSD/RDF; ATTN: Janice Kaye, Anacostia Naval Annex, Bldg. 410/Door 123, 250 Murray Lane, S.W., Washington, D.C. 20509.

Your appeal must be postmarked or electronically transmitted within 90 days of the date of the response to your request. Both the letter and the envelope should be clearly marked: “Freedom of Information Act Appeal" and should include a reference to the FOIA Case File number listed above. Heightened security in force may delay mail delivery; therefore we suggest that you also email any such appeal to foia@ustr.eop.gov.

In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available to you in the United States District Court for the judicial district in which you reside or have your principal place of business, or in the District of Columbia, where we searched for the records you requested.

Thank you,
Monique

Monique T. Ricker
FOIA Program Manager/Attorney

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON DC 20508

From: American Oversight FOIA <foia@americanoversight.org>
Sent: Tuesday, October 23, 2018 3:31 PM
To: FN-USTR-FOIA <FN-USTR-FOIA@ustr.eop.gov>
Subject: [EXTERNAL] FOIA Request (USTR-18-0738)

Subject: [EXTERNAL] FOIA Request (USTR-18-0738)

Dear FOIA Officer:

Please find pasted below and attached a request for records under the Freedom of Information Act.

Sincerely,

Clay M. Goode
Paralegal
American Oversight
foia@americanoversight.org
>www.americanoversight.org< | @weareoversight

FOIA: USTR-18-0738

October 23, 2018

VIA ELECTRONIC MAIL

Janice A. Kaye, FOIA Officer

Office of the U.S. Trade Representative

Anacostia Naval Annex Building 410/Door 123
250 Murray Lane SW
Washington, DC 20509

FOIA@ustr.eop.gov

Re: Freedom of Information Act Request

Dear Freedom of Information Officer:

Pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and your agency's implementing regulations, American Oversight makes the following request for records.

President Trump since January 2018 has imposed a series of tariffs on various goods and countries. In late September 2018, Trump announced 10 percent tariffs on $200 billion a

year of Chinese goods, and Chinese officials quickly responded with tariffs on $60 billion in American goods.[1] Press reporting suggests decisions regarding tariffs are being made in a haphazard fashion without following standard procedures of coordinating across government departments and agencies.[2] In addition, sectors and trade groups are being taken by surprise by the escalatory trade tactics.[3]

American Oversight seeks the following records in an effort to shed light on the effect of the administration's trade policies on American manufacturing and employment, and to determine the influence of industry lobbyists on administration policies.

Requested Records

American Oversight requests that your agency produce the following within twenty business days:

1) All records reflecting communications (including emails, email attachments, calendar entries/invitations) of the agency custodians specified below containing the following search terms "tarif*", "tarrif*", "exempt*", or "exclu*" AND any of the following terms:

    a. Alcoa
    b. Apple
    c. Autozone
    d. BMW
    e. Boeing
    f. Chevrolet
    g. "Coca-Cola"
    h. Ford
    i. "General Electric"
    j. "General Motors"
    k. Hyundai
    l. Jeep

m. “Jim Beam”

n. Kia

o. Lincoln

p. “Mercedes-Benz”

q. “Stanley Black & Decker”

r. Tesla

s. Toyota

t. Volvo

u. Whirlpool

v. Soy

w. Sorghum

Please note that American Oversight is here using the asterisk (*) to designate the standard use of “wildcards” in the search for responsive records. For example, a search for “separat*” would return all of the following: separate, separates, separated, separation, etc. If you are unable to search for wildcards, please advise so that we may specifically include the variations that we would like searched.

<u>Specified Agency Custodians</u>:

a. Any political appointees* in the immediate Office of the Trade Representative, including:

   i. United States Trade Representative, and anyone acting on his behalf

   ii. Deputy United States Trade Representatives, and anyone acting on their behalf

   iii. Counselor to the United States Trade Representative

   iv. All Chiefs of Staff and Deputy Chiefs of Staff

b. Any political appointees* in the immediate Office of Congressional Affairs,

including:

i. Assistant United States Trade Representative for Congressional Affairs, and anyone acting on his behalf

ii. Deputy Assistant United States Trade Representative for Congressional Affairs, and anyone acting on his behalf

iii. Director for Congressional Affairs, and anyone acting on his behalf

c. Any political appointees* in the immediate Office of the Chief Agriculture Negotiator, including:

i. Chief Agricultural Negotiator, and anyone acting on his behalf

*"Political appointee" should be understood as any person who is a Presidential Appointee with Senate Confirmation (PAS), a Presidential Appointee (PA), a non-career SES, any Schedule C employees, or any persons hired under Temporary Non-Career SES Appointments, Limited Term SES Appointments, or Temporary Transitional Schedule C Appointments.

Please provide all records from January 20, 2017, through the date the search is conducted.

In addition to the records requested above, American Oversight also requests records describing the processing of this request, including records sufficient to identify search terms used and locations and custodians searched and any tracking sheets used to track the processing of this request. If your agency uses FOIA questionnaires or certifications completed by individual custodians or components to determine whether they possess responsive materials or to describe how they conducted searches, we also request any such records prepared in connection with the processing of this request.

American Oversight seeks all responsive records regardless of format, medium, or physical characteristics. In conducting your search, please understand the terms "record," "document," and "information" in their broadest sense, to include any written, typed, recorded, graphic, printed, or audio material of any kind. We seek records of any kind, including electronic records, audiotapes, videotapes, and photographs, as well as letters, emails, facsimiles, telephone messages, voice mail messages and transcripts, notes, or minutes of any meetings, telephone conversations or discussions. Our request includes any attachments to these records. **No category of material should be omitted from search, collection, and production.**

collection, and production.

Please search all records regarding agency business. **You may not exclude searches of files or emails in the personal custody of your officials, such as personal email accounts. Records of o**fficial business conducted using unofficial systems or stored outside of official files is subject to the Federal Records Act and FOIA.[4] **It is not adequate to rely on policies and procedures that require officials to move such information to official systems within a certain period of time; American Oversight has a right to records contained in those files even if material has not yet been moved to official systems or if officials have, through negligence or willfulness, failed to meet their obligations.**[5]

In addition, please note that in conducting a "reasonable search" as required by law, you must employ the most up-to-date technologies and tools available, in addition to searches by individual custodians likely to have responsive information. Recent technology may have rendered your agency's prior FOIA practices unreasonable**. In light of the government-wide requirements to manage information electronically by the end of 2016, it is no longer reasonable to rely exclusively on custodian-driven searches.**[6] **Furthermore, agencies that have adopted the National Archives and Records Administration (NARA) Capstone program, or similar policies, now maintain emails in a form that is reasonably likely to be more complete than individual custodians' files.** For example, a custodian may have deleted a responsive email from his or her email program, but your agency's archiving tools would capture that email under Capstone. Accordingly, American Oversight insists that your agency use the most up-to-date technologies to search for responsive information and take steps to ensure that the most complete repositories of information are searched. American Oversight is available to work with you to craft appropriate search terms. **However, custodian searches are still required; agencies may not have direct access to files stored in .PST files, outside of network drives, in paper format, or in personal email accounts.**

Under the FOIA Improvement Act of 2016, agencies must adopt a presumption of disclosure, withholding information "only if . . . disclosure would harm an interest protected by an exemption" or "disclosure is prohibited by law."[7] If it is your position that any portion of the requested records is exempt from disclosure, American Oversight requests that you provide an index of those documents as required under *Vaughn v. Rosen*, 484 F.2d 820 (D.C. Cir. 1973), *cert. denied*, 415 U.S. 977 (1974). As you are aware, a *Vaughn* index must describe each document claimed as exempt with sufficient specificity "to permit a reasoned judgment as to whether the material is actually exempt under FOIA."[8] Moreover, the *Vaughn* index "must describe *each* document or portion thereof withheld, and for *each* withholding it must discuss the consequences of disclosing the sought-after information."[9] Further, "the withholding agency must supply 'a relatively detailed justification, specifically identifying the reasons why a particular exemption is relevant and correlating those claims with the particular part of a withheld document to which they apply.'"[10]

In the event some portions of the requested records are properly exempt from disclosure, please disclose any reasonably segregable non-exempt portions of the requested records. If it is your position that a document contains non-exempt segments, but that those non-exempt segments are so dispersed throughout the document as to make segregation impossible, please state what portion of the document is non-exempt, and how the material is dispersed throughout the document.[11] Claims of nonsegregability must be made with the same degree of detail as required for claims of exemptions in a *Vaughn* index. If a request is denied in whole, please state specifically that it is not reasonable to segregate portions of the record for release.

You should institute a preservation hold on information responsive to this request. American Oversight intends to pursue all legal avenues to enforce its right of access under FOIA, including litigation if necessary. Accordingly, you are on notice that litigation is reasonably foreseeable.

To ensure that this request is properly construed, that searches are conducted in an adequate but efficient manner, and that extraneous costs are not incurred, American Oversight welcomes an opportunity to discuss its request with you before you undertake your search or incur search or duplication costs. By working together at the outset, American Oversight hopes to decrease the likelihood of costly and time-consuming litigation in the future.

Where possible, please provide responsive material in electronic format by email or in PDF or TIF format on a USB drive. Please send any responsive material being sent by mail to American Oversight, 1030 15th Street NW, Suite B255, Washington, DC 20005. If it will accelerate release of responsive records to American Oversight, please also provide responsive material on a rolling basis.

Fee Waiver Request

In accordance with 5 U.S.C. § 552(a)(4)(A)(iii) and your agency's implementing regulations, American Oversight requests a waiver of fees associated with processing this request for records. The subject of this request concerns the operations of the federal government, and the disclosures will likely contribute to public understanding of those operations. Moreover, the request is primarily and fundamentally for non-commercial purposes.

American Oversight requests a waiver of fees because disclosure of the requested

American Oversight requests a waiver of fees because disclosure of the requested information is in the public interest because it is likely to contribute significantly to public understanding of activities of the government. The disclosure of the information sought under this request will document and reveal the operations of the federal government, including how the high-ranking officials who carry out U.S. trade policy are influenced by private companies and their lobbyists, as other public records have shown has occurred in some circumstances.[12] The disclosure of the records requested here will also shed light on the federal government’s approach to trade policy in an environment where U.S. firms are facing retaliatory tariffs that may cause American job losses.[13] Due to this administration’s aggressive trade policy actions, these topics have received extensive media coverage and public interest.[14] And, as described below, American Oversight has the intention and ability to disseminate the records it received to a broad audience.

This request is primarily and fundamentally not for commercial purposes, but rather the primary interest is in public disclosure of responsive records. As a 501(c)(3) nonprofit, American Oversight does not have a commercial purpose and the release of the information requested is not in American Oversight’s financial interest. American Oversight’s mission is to promote transparency in government, to educate the public about government activities, and to ensure the accountability of government officials. American Oversight uses the information gathered, and its analysis of it, to educate the public through reports, press releases, or other media. American Oversight also makes materials it gathers available on its public website and promotes their availability on social media platforms, such as Facebook and Twitter.[15] American Oversight has demonstrated its commitment to the public disclosure of documents and creation of editorial content. For example, after receiving records regarding an ethics waiver received by a senior DOJ attorney,[16] American Oversight promptly posted the records to its website and published an analysis of what the records reflected about DOJ’s process for ethics waivers.[17] As another example, American Oversight has a project called “Audit the Wall,” where the organization is gathering and analyzing information and commenting on public releases of information related to the administration’s proposed construction of a barrier along the U.S.-Mexico border.[18]

Accordingly, American Oversight qualifies for a fee waiver.

Conclusion

We share a common mission to promote transparency in government. American Oversight looks forward to working with your agency on this request. If you do not understand any part of this request, have any questions, or foresee any problems in fully releasing the requested records, please contact Dan McGrath at foia@americanoversight.org or (202) 897-4213. Also, if American Oversight’s request for a fee waiver is not granted in full, please contact us immediately upon making such a determination.

Sincerely,

Austin R. Evers

Executive Director

American Oversight

[1] Keith Bradsher, *China Once Looked Tough on Trade. Now Its Options Are Dwindling*, N.Y. Times, Sept. 18, 2018, >https://www.nytimes.com/2018/09/18/business/china-trade-war-retaliate.html?action=click&module=Top%20Stories&pgtype=Homepage<

[2] Bob Woodward, *Fear: Trump in the White House* 159-161 (1st ed. 2018)

[3] Khorri Atkinson, *What They're Saying: Local Industries React to Trump's Trade War*,

Axios (July 8 2018), >https://www.axios.com/local-industries-react-trump-trade-war-fishing-seed-agriculture-daily-ad04a26d-448f-4bbd-92ec-2ae06ce3a713.html<

[4] *See Competitive Enter. Inst. v. Office of Sci. & Tech. Policy*, 827 F.3d 145, 149–50 (D.C. Cir. 2016); *cf. Judicial Watch, Inc. v. Kerry*, 844 F.3d 952, 955–56 (D.C. Cir. 2016).

[5] *See Competitive Enter. Inst. v. Office of Sci. & Tech. Policy*, No. 14-cv-765, slip op. at 8 (D.D.C. Dec. 12, 2016) ("The Government argues that because the agency had a policy requiring [the official] to forward all of his emails from his [personal] account to his business email, the [personal] account only contains duplicate agency records at best. Therefore, the Government claims that any hypothetical deletion of the [personal account] emails would still leave a copy of those records intact in [the official's] work email. However, policies are rarely followed to perfection by anyone. At this stage of the case, the Court cannot assume that each and every work-related email in the [personal] account was duplicated in [the official's] work email account." (citations omitted)).

[6] Presidential Memorandum—Managing Government Records, 76 Fed. Reg. 75,423 (Nov. 28, 2011), >https://obamawhitehouse.archives.gov/the-press-office/2011/11/28/presidential-memorandum-managing-government-records<; Office of Mgmt. & Budget, Exec. Office of the President, Memorandum for the Heads of Executive Departments & Independent Agencies, "Managing Government Records Directive," M-12-18 (Aug. 24, 2012), >https://www.archives.gov/files/records-mgmt/m-12-18.pdf<.

[7] FOIA Improvement Act of 2016 § 2 (Pub. L. No. 114–185).

[8] *Founding Church of Scientology v. Bell*, 603 F.2d 945, 949 (D.C. Cir. 1979).

[9] *King v. U.S. Dep't of Justice*, 830 F.2d 210, 223–24 (D.C. Cir. 1987) (emphasis in original).

[10] *Id.* at 224 (citing *Mead Data Central, Inc. v. U.S. Dep't of the Air Force*, 566 F.2d 242, 251 (D.C. Cir. 1977)).

[11] *Mead Data Central*, 566 F.2d at 261.

[12] Cara Lombardo, *Singled Out by Trump, Harley Davidson Opposed Higher Tariffs*, The Seattle Times (Mar. 1, 2017, 4:15 PM), >https://www.seattletimes.com/business/harley-davidson-may-differ-with-trump-on-trade-solution/<.

[13] *See, e.g.*, Bob Ryan, *Trump's Trade War Is Already Leading to Layoffs and Pain for American* Businesses, Business Insider (Aug. 9, 2018, 11:42 AM), >https://www.businessinsider.com/trump-tariffs-trade-war-layoffs-business-losses-2018-8<; Stuart Anderson, *Tariffs Are Costing Jobs: A Look At How Many*, Forbes (Sep. 24, 2018, 12:04 AM), >https://www.forbes.com/sites/stuartanderson/< 2018/09/24/ tariffs-are-costing-jobs-a-look-at-how-many/ - 23416c7b26ef; Alan Rappeport, *Harley-Davidson, Blaming E.U. Tariffs, Will Move Some Production Out of U.S.*, N.Y. Times, June 25, 2018, >https://www.nytimes.com/2018/06/25/business/harley-davidson-us-eu-tariffs.html<;

Rajesh Kumar Singh, *Harley Warns of Hit from EU Reprisal Against Trump's Tariffs*, REUTERS (June 1, 2018, 1:33 PM), >https://www.reuters.com/article/us-harley-davidson-tariffs/harley-warns-of-hit-from-eu-reprisal-against-trumps-tariffs-idUSKCN1IX5JF<.

[14] *See, e.g.*, Kenneth Rapoza, *Here Are Some American Losers In Trump's China Trade War*, FORBES (July 13, 2018, 8:33 AM), >https://www.forbes.com/sites/kenrapoza/2018/07/13/here-are-some-american-losers-in-trumps-china-trade-war/<#4290d401f528; Ana Swanson, *Trump's Trade War With China Pierces the Heart of Michigan*, N.Y. TIMES, July 12, 2018, >https://www.nytimes.com/2018/07/12/us/politics/trade-war-china-michigan.html<; Nicole Gookind, *Trump Trade War Already Costing American Jobs as Harley-Davidson Announces Move Overseas*, NEWSWEEK (June 25, 2018, 12:08 PM), >http://www.newsweek.com/tariffs-trump-motorcycles-harley-davidson-europe-china-994366<.

[15] American Oversight currently has approximately 11,900 page likes on Facebook and 45,300 followers on Twitter. American Oversight, FACEBOOK, >https://www.facebook.com/weareoversight/< (last visited Oct. 19, 2018); American Oversight (@weareoversight), TWITTER, >https://twitter.com/weareoversight< (last visited Oct. 19, 2018).

[16] *DOJ Civil Division Response Noel Francisco Compliance,* AMERICAN OVERSIGHT, >https://www.americanoversight.org/document/doj-civil-division-response-noel-francisco-compliance<.

[17] *Francisco & the Travel Ban: What We Learned from the DOJ Documents,* AMERICAN OVERSIGHT, >https://www.americanoversight.org/francisco-the-travel-ban-what-we-learned-from-the-doj-documents<.

[18] *Audit the Wall*, AMERICAN OVERSIGHT, >https://www.americanoversight.org/investigation/audit-the-wall<.

Final Memos

From:	"Griffin, Payne P. EOP/USTR" (b) (6) [redacted]
To:	"Ward, Bradford L. EOP/USTR" (b) (6) [redacted] "Maria L. EOP/USTR Pagan (Maria_Pagan@ustr.eop.gov)" (b) (6) [redacted] "Will S. EOP/USTR Martyn (Willis_Martyn@USTR.EOP.GOV)" <willis_martyn@ustr.eop.gov>
Date:	Wed, 10 Jan 2018 18:19:33 -0500
Attachments:	POTUS Decision Memo Section 201 Washers For ARL APPROVAL.DOCX (17.68 kB); POTUS Decision Memo Section 201 Solar for ARL APPROVAL.DOCX (18.77 kB)

Both attached. Ill deal with the BCI on solar after ARL approves.

G. Payne Griffin
Deputy Chief of Staff
The Office of the United States Trade Representative
Executive Office of the President
Garrison.P.Griffin@USTR.eop.gov
(O) 202-395-5869 |(C) (b) (6) [redacted]

MEETING: WHIRLPOOL AND GE WASHERS

TO: USTR ROBERT E. LIGHTHIZER
FROM: WILL MARTYN
DATE: JANUARY 6, 2018

EXECUTIVE SUMMARY

You are meeting with the main domestic producers, Whirlpool and GE, to give them an opportunity to present what they believe are the top considerations in shaping a recommendation to the President on remedy in the Section 201 proceeding on Large Residential Washers ("LRWs").

DETAILS

Date	January 8, 2018
Time	3:00 PM
Location	Winder 203
Logistics	Bridget will meet and bring to the conference room.

ATTENDEES

USTR
Ambassador Lighthizer
Jamieson Greer, Chief of Staff
Stephen Vaughn (TBC)
Greg Walters, AUSTR IAPE
Stewart Young, DAUSTR IAPE
Will Martyn, OGC
Juli Schwartz, OGC

Meeting Attendees
Whirlpool Corporation
Jeff Fettig – Chairman
Sarah Bovim – VP Gov. Relations
Jack Levy – Counsel

GE
Kevin Nolan – CEO, GE Appliances
Peter Pepe – VP, Clothes Care
John Magnus – Counsel

BACKGROUND / AREAS OF INTEREST

[redacted]

(b) (5)

(b) (5)

- [redacted]

- At the hearing on Wednesday, LG and Samsung acknowledged that imports increased dramatically at the end of 2017. LG admitted that it is stockpiling washers, although it insisted that their extra shipments would cover only three weeks of sales.

- Whirlpool and GE's bottom line is that a flat tariff is necessary to address the ITC's findings that the low prices of imports caused domestic prices to decrease to injurious levels.

Background

LRWs encompass most side-by-side washers sold in the United States. The washers industry is competitive but concentrated. The two major domestic industry players, Whirlpool and Haier/GE Appliances, have about 66 percent of the U.S. market. The two main foreign producers, Samsung and LG, account for nearly all the rest of the market share and virtually all of the imports. Five major "big box" retailers – Aaron's, Best Buy, Home Depot, Lowe's, and Sears – account for an overwhelming majority of sales.

The volume of imports increased by 36 percent between 2012 and 2016, while their share of a growing U.S. market increased by 7 percent points. Whirlpool initially responded by seeking antidumping and countervailing duty relief on imports from Korea and Mexico. When that proceeding resulted in antidumping and countervailing duties, Samsung and LG shifted production of washers for the U.S. market to China, which led to another antidumping proceeding and the imposition of antidumping duties on imports from China. After another shift in production, this time to Thailand and Vietnam, Whirlpool petitioned the ITC for relief under section 201 of the Trade Act of 1974 ("Section 201") on June 5, 2017 with respect to washers and covered parts (baskets, cabinets, tubs, and subassemblies of those parts).

In February 2017, LG announced plans to build a multimillion dollar washer plant in Clarksville, Tennessee. On June 28, 2017, Samsung announced a $250 million plant in Newberry, South Carolina. Samsung purchased an existing factory site, and it reports shipping its first U.S.-assembled washers this month. Samsung has stated that it will eventually employ 1000 workers at Newberry. LG is working at a greenfield site, and plans to begin production in late 2018, with a goal of having 600 workers when it reaches full capacity. Production is scheduled to begin in late 2018.

After its investigation, the ITC determined that increase imports were a substantial cause of serious injury to the domestic industry producing washers and covered parts. It recommended that the President impose TRQs on LRWs and covered parts for a duration of three years. USTR sought comments from the public and interested parties and held a public hearing on January 3, 2018.

[APG]

QUESTIONS AND CONTINGENCY POINTS

[redacted] (b) (5)

BIOGRAPHICAL INFORMATION

Jeff Fettig
Chairman, Whirlpool Corporation

Jeff M. Fettig is the current chairman of the board for Whirlpool Corporation. He retired as chief executive officer in October 2017 after 13 years at the helm. Fettig joined Whirlpool in 1981 and has served as VP of Marketing for the Whirlpool's European subsidiary; VP of Group Marketing and Sales, North American Appliance Group; Executive VP of Whirlpool and President, Whirlpool Europe and Asia; and President and COO. He was first elected to the Whirlpool board of directors in June 1999. A native of Tipton, Indiana, Fettig holds a bachelor's degree in finance and a master of business administration from Indiana University.

Sarah Bovim
VP of Governmen t Relations, Whirlpool Corporation

Sarah Bovim, Corporate Director for Government Relations and International Trade Policy, joined Whirlpool Corporation in July 2006. She heads Whirlpool's D.C. government relations office, focusing on Congressional and Administration affairs. Prior to joining Whirlpool, Ms. Bovim worked for the Office of the U.S. Trade Representative as DAUSTR for Industry and Market Access, advising the USTR on industry issues and market access matters. Formerly of USTR's WTO Office, she also worked for the Office of Industry. Before joining USTR, she worked as a special advisor to the Deputy Assistant Secretary for Textiles at the U.S. Department of Commerce. Prior to government she worked at the World Bank as a Research Economist for the West African region on financial and macroeconomic issues. Sarah graduated from American University in Washington, DC with a Master's degree in International Economic Policy and a Bachelor's degree in International Affairs. She studied two years abroad at the Sorbonne and *L'Institut des Etudes Politiques*.

Kevin Nolan
CEO, GE Appliances

Kevin Nolan is the President & Chief Executive Officer of GE Appliances, headquartered in Louisville, Kentucky. In his 28-year GE career, he progressed through various cross-functional operating roles in a variety of GE businesses. Kevin assumed the CTO position for GE Appliances in November of 2006 and for Qingdao Haier in 2016. He led the Global Product and

[APG]

BIOGRAPHICAL INFORMATION

		Technology Synergy Committee and as a member of the senior leadership team, he focused on commercializing new technologies through new business models and partnerships. Throughout his career, he has continued to develop new technology with 27 patent awards, and has led the design and launch of numerous innovative appliance products. He also volunteers with several community nonprofit organizations.
	**Peter Pepe** *VP of Clothes Care*, GE Appliances	Peter Pepe is Vice President of Clothes Care at GE Appliances. He has worked as Vice President of Clothes Care at GE Appliances for 20 years having started in 1997, and is responsible for strategic planning, new product development and introduction, and managing total product life cycle and operating profit. He received his Bachelor's degree in Chemistry from Canisius College in Buffalo, NY.

Drafted by: JSchwartz
Cleared by: SYoung
FO approval:

[APG]

Re: [EXTERNAL] Re: FW: President Trump Approves Relief for U.S. Washing Machine and Solar Cell Manufacturers

From: Sarah H Bovim [redacted]@whirlpool.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Mon, 22 Jan 2018 18:22:24 -0500

thanks all set.

really appreciate all you folks have done

On Mon, Jan 22, 2018 at 5:52 PM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:

Sarah,

What is a good number I can call you on?

G. Payne Griffin

Deputy Chief of Staff

The Office of the United States Trade Representative

Executive Office of the President

Garrison.P.Griffin@USTR.eop.gov

(O) 202-395-5869 |(C) [redacted]

From: Vaughn, Stephen P. EOP/USTR
Sent: Monday, January 22, 2018 5:48 PM
To: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Fwd: [EXTERNAL] Re: FW: President Trump Approves Relief for U.S. Washing Machine and Solar Cell Manufacturers

Begin forwarded message:

From: Sarah H Bovim (b) (6) [redacted]whirlpool.com>
Date: January 22, 2018 at 5:41:43 PM EST
To: "Walters, Gregory M. EOP/USTR" <Gregory.M.Walters@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <Stephen.P.Vaughn@ustr.eop.gov>
Subject: [EXTERNAL] Re: FW: President Trump Approves Relief for U.S. Washing Machine and Solar Cell Manufacturers

we can't find anywhere that Korea was INCLUDED in the order.

However Brown and Portman understand it was.

Can you track this down???

On Mon, Jan 22, 2018 at 4:40 PM, Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov> wrote:

FYI…

From: FN-USTR-Media
Sent: Monday, January 22, 2018 4:37 PM
To: FN-USTR-Media <USTRPressOffice@ustr.eop.gov>
Subject: President Trump Approves Relief for U.S. Washing Machine and Solar Cell Manufacturers

USTR NEWS

UNITED STATES TRADE REPRESENTATIVE

>>www.ustr.gov<< Washington, D.C. 20508 202-395-3230

FOR IMMEDIATE RELEASE

January 22, 2018

Contact: USTR Public & Media Affairs

media@ustr.eop.gov

President Trump Approves Relief for U.S. Washing Machine and Solar Cell Manufacturers

Washington, DC – U.S. Trade Representative Robert Lighthizer announced today that President Trump has approved recommendations to impose safeguard tariffs on imported large residential washing machines and imported solar cells and modules.

USTR made the recommendations to the President based on consultations with the interagency Trade Policy Committee (TPC) in response to findings by the independent, bipartisan U.S. International Trade Commission (ITC) that increased foreign imports of washers and solar cells and modules are a substantial cause of serious injury to domestic manufacturers.

"These cases were filed by American businesses and thoroughly litigated at the International Trade Commission over a period of several months," **said Ambassador Lighthizer.** "The ITC found that U.S. producers had been seriously injured by imports and made several recommendations to the President. Upon receiving these recommendations, my staff and I conducted an exhaustive process which included opportunities to brief in person and through public comments, public hearings, and meetings with senior representatives. Based on this information, the Trade Policy Committee developed recommendations, which the President has accepted. The President's action makes clear again that the Trump Administration will always defend American workers, farmers, ranchers, and businesses in this regard."

For imports of large residential washers, the President approved applying a safeguard tariff-rate quota for three years with the following terms:

	Year 1	Year 2	Year 3
First 1.2 million units of imported finished washers	20%	18%	16%
All subsequent	50%	45%	40%

imports of finished washers			
Tariff on covered parts	50%	45%	40%
Covered parts excluded from tariff	50,000 units	70,000 units	90,000 units

Injury to U.S. washing machine manufacturers stems from a sharp increase in imports that began in 2012. The ITC found that imports of large residential washers increased "steadily" from 2012 to 2016, and that domestic producers' financial performance "declined precipitously."

For imports of solar cells and modules, the President approved applying safeguard tariffs for the next four years with the following terms:

	Year 1	Year 2	Year 3	Year 4
Safeguard Tariff on Modules and Cells	30%	25%	20%	15%
Cells Exempted from Tariff	2.5 gigawatts	2.5 gigawatts	2.5 gigawatts	2.5 gigawatts

The relief will include a tariff of 30 percent in the first year, 25 percent in the second year, 20 percent in the third year, and 15 percent in the fourth year. Additionally, the first 2.5 gigawatts of imported solar cells will be exempt from the safeguard tariff in each of those four years.

The U.S. Trade Representative will engage in discussions among interested parties that could lead to positive resolution of the separate antidumping and countervailing duty measures currently imposed on Chinese solar products and U.S. polysilicon. The goal of those discussions must be fair and sustainable trade throughout the whole solar energy value chain, which would benefit U.S. producers, workers, and consumers.

Following successful trade cases filed by the domestic industry, which levied 40 percent tariffs on Chinese solar imports, China moved production elsewhere and evaded U.S. relief, while maintaining capacity. Today, China dominates the global supply chain and, by its own admission, is looking to increase its capacity to account for 70 percent of total planned global capacity expansions announced in the first half of 2017.

The ITC instituted the cases for Solar and Washers on May 17, 2017, and June 5, 2017 respectively. The ITC then conducted a bipartisan, independent review of the two cases, which included public hearings, before developing various recommendations and reports.

Upon receipt of the ITC's reports, the Trade Policy Staff Committee, led by the Office of the United States Trade Representative, conducted a thorough interagency process which provided for a public hearing and public comment periods. Ambassador Lighthizer further sought the views of participants in the washer industry and solar producers, importers, and installers before developing the TPC's recommendation for the President.

CLICK HERE TO VIEW A FACT SHEET ON THE 201 CASES.

###

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RE: solar tariff

From: "Davis, Emily K. EOP/USTR" <emily.k.davis@ustr.eop.gov>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Emerson, Jeffrey W. EOP/USTR" <jeffrey.w.emerson@ustr.eop.gov>

Cc: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, brian.mccormack@hq.doe.gov

Date: Mon, 22 Jan 2018 19:28:51 -0500

Attachments: 201 Cases Fact Sheet - Washers and Solar - Final.pdf (79.73 kB); 201 Talking Points - Washers and Solar - USTR Cleared - Final.docx (24.58 kB)

Hi Brian –

Pinch-hitting for Payne here; attached please find the fact sheet and talking points.

Best,

Emily K. Davis
Deputy Assistant USTR for Public & Media Affairs
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9434 | C: (b) (6) [redacted]

Begin forwarded message:

From: "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>
Date: January 22, 2018 at 6:21:26 PM EST
To: "McCormack, Brian" <Brian.Mccormack@hq.doe.gov>
Cc: "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov>
Subject: RE: solar tariff

Brian,

Thanks for reaching out. Looping in Payne who can provide you with these. We have released the fact sheet and press release, and will not be saying much else publicly until the President signs the actual orders tomorrow.

Jamieson

-----Original Message-----
From: McCormack, Brian [mailto:Brian.Mccormack@hq.doe.gov]
Sent: Monday, January 22, 2018 6:20 PM
To: Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: solar tariff

Jamieson,

Just checking if you can share your talkers on the solar tariff. Secretary Perry will be on flight tomorrow with the Ambassador so I'm sure they'll talk but I need to have him prepped in case of any questions while at Davos. Thanks.

SECTION 201 – SOLAR AND WASHERS - TALKING POINTS

TOPLINE:

On January 22, 2018, President Trump announced his decision to provide relief to U.S. manufacturers injured by surging imports by imposing additional tariffs on imported washing machines and solar products.

- President Donald Trump is fulfilling a promise he made in June 2016 to take all necessary action under our trade laws to stand up for America's workers and manufacturers injured by unfair trade.

- The President's decisions were based on the investigations, findings, and recommendations of the independent, bipartisan U.S. International Trade Commission (ITC).

- In both instances, foreign suppliers moved production to avoid legally imposed antidumping and countervailing duties.

- The President's actions will help create jobs in the United States. For example, within the last year, both Samsung and LG announced major investments to produce washers in the United States and the President's action will bolster those commitments.

  In the Solar case, the President is imposing 30 percent tariffs on solar cells and modules, but has exempted 2.5 GW of cells to facilitate domestic manufacturing of solar modules.

BACKGROUND:

After in-depth investigations, the ITC determined that surges of imports of large residential washers and solar cells and modules are each "a substantial cause of serious injury" to the domestic industries manufacturing each group of products – industries that create and sustain thousands of good-paying jobs for American workers.

Prior to President Trump's decision to provide import relief, a USTR-led interagency team, conducted public hearings and sought the views of participants in the washer industry and solar producers, importers, and installers. On this basis, this group and the President's senior advisors unanimously recommended the action the President is taking today.

TALKING POINTS:

SECTION 201 CASE: WASHERS

- On June 5, 2017, at the request of Whirlpool, the ITC initiated an investigation under Section 201 of the Trade Act of 1974, covering the years 2012-2016, to determine whether increased imports are a substantial cause of serious injury to domestic producers of large residential washers.

- From 2012 to 2016, imports of these washers caused a substantial loss in market share to domestic producers. By 2016, domestic producers' financial performance declined precipitously.

- During this time, U.S. manufacturers sought relief against unfair trade practices. In 2013 and 2017, Commerce imposed antidumping and countervailing duties on imported washers benefiting from unfair trade practices. In both cases, LG and Samsung evaded the additional duties by moving production to other countries.

- Based on the recommendation of the Trade Policy Committee, the President will apply a safeguard tariff measure in the form of additional duties on imports of large residential washers and covered parts.

- President Trump's action to stand up for American workers and fair trade will encourage more U.S. manufacturing jobs.

- In 2017, both Samsung and LG announced major investments to produce washers in the United States.

    - In early 2017, LG Electronics announced its plan to build a $250 million manufacturing plant in Clarksville, Tennessee.

    - In June 2017, Samsung agreed to open a $380 million manufacturing plant in Newberry, South Carolina.

    - The ITC recognized industry concerns that both companies might not fully follow through on their commitments without a strong trade remedy. President Trump's action ensures that the two companies locate their plants here and more of the production line in the United States.

SECTION 201 CASE: SOLAR CELLS AND MODULES

- On May 17, 2017, based on a petition from Suniva and later joined by SolarWorld, the ITC instituted an investigation under Section 201 of the Trade Act of 1974 to determine whether increased imports were a substantial cause of serious injury to domestic producers.

- (b) (5) [redacted]

- Following state-directed initiatives, China's share of global solar cell production skyrocketed from 7 percent in 2005 to 61 percent in 2012. China now dominates the global supply chain, accounting for nearly 70 percent of total planned global capacity expansions announced in the first half of 2017. China produces 60 percent of the world's solar cells and 71 percent of solar modules.

- During this time, U.S. manufacturers have sought relief against unfair trade practices. In 2011 and 2013, U.S. manufacturers successfully petitioned the Commerce Department, which imposed antidumping and countervailing duties on China. However, China evaded the duties by moving production to other countries.

- From 2012 to 2016, imports grew by approximately 500 percent, and prices dropped precipitously. Prices for solar cells and modules fell by 60 percent, to a point where most U.S. producers ceased domestic production, moved their facilities to other countries, or declared bankruptcy.

- By 2017, the U.S. solar industry had almost disappeared, with 25 companies closing since 2012. Only two producers of both solar cells and modules and eight firms that produced modules using imported cells remained viable. By the beginning of 2018, one of the two remaining U.S. producers of solar cells and modules had declared bankruptcy and ceased production.

- Based on the ITC's findings of serious injury to U.S. manufacturers, the President will apply a safeguard tariff measure in the form of additional duties on imports of solar cells and modules for four years. Section 201 actions apply to all import sources, which will prevent Chinese firms from shifting production to other countries to evade the additional duties.

- The President's action will help domestic manufacturers make capital investments in solar equipment and research and development as the American solar panel manufacturing industry is revitalized.

- The President also included a 2.5 GW annual quota on cells. This allows domestic module producers to continue producing modules until U.S. cell production comes online.

ADDITIONAL POINTS

- The President's actions are consistent with WTO trade rules, which allow for the imposition of safeguard remedies when domestic industries suffer serious injury from a surge of imports.

- Under U.S. trade remedy laws, country-specific antidumping and countervailing duties have previously been applied in both cases to address unfair trade practices. Due to production being moved from country to country to evade those duties, a global safeguard tariff is needed to temporarily protect U.S. manufacturers from serious injury to help them adjust to import competition.

###

RE: TPs for ARL memo

From: "Martyn, Will S. EOP/USTR" <willis_martyn@ustr.eop.gov>

To: "Nieves-Lee, Lila E. EOP/USTR" <lila.e.nieves-lee@ustr.eop.gov>, "Schwartz, Juli C. EOP/USTR" <juli_c_schwartz@ustr.eop.gov>

Cc: "Terrill, Dax R. EOP/USTR" <dax.terrill@ustr.eop.gov>

Date: Tue, 30 Jan 2018 11:34:39 -0500

Attachments: 201 FactSheet v2.pdf (79.73 kB); 201 QA - Washers and Solar - USTR Cleared.docx (32.42 kB); 201 Talking Points - Washers and Solar - USTR Cleared - Final.docx (24.58 kB)

Lila:

Adding Dax, who also covers this area.

I've attached the materials from last week. Can you use these?

- Will

From: Nieves-Lee, Lila E. EOP/USTR
Sent: Tuesday, January 30, 2018 11:32 AM
To: Schwartz, Juli C. EOP/USTR <Juli_C_Schwartz@ustr.eop.gov>; Martyn, Will S. EOP/USTR <Willis_Martyn@ustr.eop.gov>
Subject: TPs for ARL memo

Hi Juli and Will,

Congressional just got assigned a memo for ARL's call tomorrow with Rep. Nancy Pelosi. The call is going to focus on 201 and 301. Would it be possible to get some talking points from you all by 2PM today? Sorry for the quick turnaround.

Thank you!
Lila

--
Lila E. Nieves-Lee
Director of Congressional Affairs
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9628
M: (b) (6) [redacted]

SECTION 201 – SOLAR AND WASHERS – Q&A

QUESTIONS APPLICABLE TO BOTH CASES:

Q: When will the President's actions take effect?

A: The actions will take effect on February 7, 2018.

Q: How long will the actions last?

A: All of the ITC Commissioners recommended a four-year remedy for solar cells and modules. The President decided on a four-year period for the safeguard tariffs he put in place.

The ITC recommended a three-year remedy for washers, and the President adopted that aspect of the ITC's remedy.

If asked (b) (5) [redacted]

(b) (5) [redacted]

Q: Are Canada and Mexico excluded?

A: Canada is excluded from the washers safeguard, but Mexico is not. Neither Canada nor Mexico is excluded from the solar cells and modules safeguard.

Q: Why aren't Canada/Mexico excluded?

A: U.S. law requires the exclusion of Canada or Mexico from a Section 201 action if the President determines that imports from that country do not account for a substantial share of imports and do not contribute importantly to serious injury to domestic producers.

Under our statute, the ITC makes findings with respect to whether a NAFTA country accounts for a substantial share of total imports and contributes importantly to serious injury. However, the President makes the ultimate decision about whether a NAFTA partner meets the statutory criteria for exclusion.

Washers

- Based on the information and findings of the ITC, the President determined that Canada met these criteria, and Mexico did not.

- (b) (5) [redacted]

Solar cells and modules

- Based on the information and findings of the ITC, the President determined that Canada and Mexico did not meet the criteria for exclusion.
- (b) (5) [redacted]
- (b) (5) [redacted]

Q: Is this going to affect NAFTA negotiations?

A: Safeguard measures are a well-established tool for dealing with particularly injurious surges in imports. They are also available to Canada and Mexico to use in the event that increased imports cause serious injury in their economy. We hope that they will support our use of this tool in conditions like these, where increased imports have unquestionably caused serious injury to U.S. producers.

These safeguard actions are temporary, and will be in place for three years in the case of washers and four years in the case of solar cells and modules. They will allow the domestic industry to recuperate and grow, preventing possibly thousands of workers from losing good-paying manufacturing jobs and spurring the addition of new jobs.

Q: Are other FTA partners excluded?

A: No. Under the statutes implementing certain other FTAs, when the ITC finds that certain conditions are met, the President may decide to exclude the FTA partner, but is not required to do so. The ITC found that those conditions existed for several FTA partners, but the President concluded that it would not be appropriate in these cases to exclude any other FTA partners.

Q: Are developing countries excluded?

A: Consistent with our WTO obligations and our past practice, the United States is excluding all GSP beneficiary countries that account for less than three percent of total exports from both of the safeguard measures.

If asked [redacted]

- [redacted]

Washers

- Thailand accounted for more than three percent of total imports in 2016. Therefore, although they are a GSP beneficiary country, we are not excluding them from the washers safeguard.

Solar cells and modules

- Both the Philippines and Thailand accounted for more than three percent of total imports in 2016. Therefore, although they are a GSP beneficiary country, we are not excluding them from the washers safeguard.

Q: Is the President's action consistent with WTO rules?

A: U.S. law authorizing global safeguard relief is consistent with and, in large part, is the model for the WTO rules.

The ITC has undertaken a rigorous inquiry into whether the domestic industry, during the period of investigation, has been seriously injured and whether the substantial cause of that serious injury is increased importation of solar cells and modules into the United States. In doing so, it has complied fully with all of our international obligations.

The President, consistent with U.S. law, has taken necessary action that will facilitate efforts by U.S. producers to adjust to import competition, and does not go beyond the extent necessary to prevent or remedy the serious injury found by the ITC. In doing this, he has complied with all of our international obligations.

Q: Do you expect a WTO dispute?

A: The ITC determination is objective, detailed, and compelling. We cannot speculate on what others may do, but we are confident that the ITC determination and action by the President are fully consistent with our international obligations.

Q: Is the President's action subject to judicial review in any U.S. court?

A: Yes, in the U.S. Court of International Trade (CIT).

QUESTIONS APPLICABLE TO THE WASHERS SAFEGUARD

Q: What products does this affect?

A: The covered products are defined in the ITC's initiation notice. Generally, these safeguard actions apply to all large residential washing machines, but exclude commercial machines and stackable washer/dryer combinations.

Q: What effect do you expect on consumers?

A: We anticipate an overall benefit to the consuming public. (b) (5) [redacted]

Q: Will there be a process for excluding products that aren't available from domestic producers?

A: There was a very small number of exclusion requests in the washers proceeding. While the Administration was able to consider those requests and concluded that it would not be appropriate to grant any additional exclusions at this time, (b) (5) [redacted]

QUESTIONS APPLICABLE TO THE SOLAR CELLS AND MODULES SAFEGUARD

Q: Will this action result in the loss of U.S. jobs?

A: We expect action to create new jobs as the petitioners and other producers adjust to import competition by resuming and expanding their operations.

By providing a respite from increased and injurious imports, this action has the potential to attract investment in the United States to open additional plants and other facilities to create even more jobs.

The Administration has carefully considered arguments by some domestic users of imported solar modules that trade restrictions will lead to job losses in companies that install solar energy

projects. The remedy announced today is designed to provide relief to domestic producers of solar cells and modules while minimizing any negative effects on consumers.

Q: Who benefits from this action?

A: Section 201 is intended to facilitate efforts by the injured domestic industry to make a positive adjustment to import competition. Therefore, U.S. producers of solar cells and modules are the immediate beneficiary of this action.

However, solar energy plays an increasingly important part in the supply of electrical power in the United States. Having a secure and reliable domestic supply of solar cells benefits all of us by increasing our energy security and ensuring that domestic competition exists to keep solar cells affordable and available.

Q: Is it true that petitioners are in bankruptcy? If so, how will this remedy assist the domestic industry?

A: Bankruptcies and plant closures are examples of the serious injury that increased imports have caused in recent years. A strong remedy will assist domestic producers to expand or reopen their factories and, with increased investment, research and development, and other updates, produce solar products that can compete for sales in the United States with foreign-produced products.

Q: Is it true that petitioners are foreign-owned corporations? If so, how is the remedy consistent with the Administration's "American First" agenda?

A: While the ownership may be foreign, these companies employ American workers, produce innovative products here in the United States, and sell primarily to companies that construct solar generating installations that produce electricity for the U.S. grid. Helping them to adjust to import competition helps to keep America strong.

Q: Won't this action increase prices and hurt our efforts to increase use of renewable energy?

A: The Administration is committed to ensuring a resilient electricity supply, including through a variety of power sources. Solar power plays an increasingly important role in the U.S. energy supply. Having a secure and reliable domestic supply of solar cells ensures that domestic competition exists to keep solar cells affordable and available, which will support the continued growth of solar energy.

Q: Will there be a process for excluding products that aren't available from domestic producers?

A: The Administration received a large number of exclusion requests.

Some of them were relatively straightforward, and we will be able to grant them as of the date the safeguard actions take effect.

However, we were not able to address all of the exclusion requests we received. USTR will be announcing a process for addressing those requests, and taking action if needed.

TIMELINES

WASHERS TIMELINE

June 5, 2017	ITC institutes washers investigation under section 201.
September 7, 2017	ITC holds injury hearing.
October 19, 2017	ITC holds remedy hearing.
November 30, 2017	USTR seeks public comment on possible safeguards action.
December 4, 2017	ITC reports findings, determination on serious injury, and recommendations on remedy to the President.
January 3, 2018	TPSC participants hold hearing on what action the President should take.
February 2, 2018	60-day period for President to take action under section 203 expires.

SOLAR TIMELINE

April 26, 2017	Suniva filed its petition under Section 201
May 17, 2017	ITC instituted this investigation based on a properly filed petition from Suniva
May 25, 2017	SolarWorld joined the investigation as a co-petitioner
August 15, 2017	ITC held a public hearing on the question of injury
September 22, 2017	ITC voted on injury

October 3, 2017	ITC held a second public hearing on the question of remedy
October 25, 2017	USTR issued a Federal Register notice regarding the process to determine the TPSC recommendation
October 31, 2017	ITC voted on remedy recommendation
November 13, 2017	ITC issued its report to the President and provided the different views of the Commissioners on the remedy recommendation
November 14, 2017	USTR issued a second Federal Register notice with additional information
November 20, 2017	Interested parties filed initial submissions
November 27, 2017	USTR requested a supplemental report from the ITC
November 29, 2017	Interested parties filed responsive submissions
December 6, 2017	TPSC held a public hearing
December 27, 2017	ITC issued supplemental report based on request from USTR
January 26, 2018	Date by which to proclaim any Presidential Action

MEETING: BRUNO LE MAIRE, FRENCH MINISTER OF ECONOMY AND FINANCE

TO:	**USTR ROBERT E. LIGHTHIZER**
FROM:	**AUSTRs DAN MULLANEY, JUAN MILLAN, JIM SANFORD, TERRY MCCARTIN**
THROUGH:	**DEPUTY USTR JEFFREY GERRISH**
DATE:	**APRIL 19, 2018**

EXECUTIVE SUMMARY

You will meet with French Minister of Economy and Finance Bruno Le Maire ["luh-MARE" on April 25 at 2:30 pm.

(b) (5)

[redacted]

Drafted by: Weiner
OGC approval: Millan, Tsao
Cleared by: Motwane, Morrow, McCartin

(b) (5) [redacted]

DETAILS

Date	Wednesday, April 25, 2018
Time	2:30 pm
Location	TBD

ATTENDEES

USTR
You
Ambassador Gerrish
AUSTR Dan Mullaney
TBD

France
Minister Le Maire
Charles Sitzenstuhl, Special Advisor to Minister Le Maire
Odile Renaud-Basso, Director General, French Treasury
Renaud Lassus, Embassy of France
Bernhard Hechenberger, Embassy of France

BACKGROUND / AREAS OF INTEREST

<u>Trade Data</u>

U.S.-France trade:

- 2017 U.S.-France total trade in goods and services: $119.5 billion.
- 2017 U.S. goods deficit: $15.3 billion (our fourteenth-largest goods trade deficit, though much smaller than the 2017 deficit with Germany, which was $64.3 billion). (b) (5) [redacted]
- 2017 U.S. services surplus: $1.6 billion.

France trade with the world:

- 2017 France goods deficit with the world: $89.0 billion (Source: GTIS).
- 2016 France services deficit with the world: $34 million (Source: WTO).

France trade with China:

- 2016 France-China total trade in goods and services: $58.9 billion.
- 2017 France goods deficit: $10.4 billion.
- 2016 France services deficit: $1.8 billion. (They had a surplus until 2014; services trade is still fairly balanced, with $5.1 billion in exports and $6.9 billion in imports.)

<u>China-Related Trade Challenges</u>

President Macron's call to build a "Europe that protects" includes strengthening the EU's ability to take action against unfair and distortive trade practices.

[APG]

[redacted] (b) (5)

High-Tech Industries and Digital Trade

(b) (5) [redacted]

A January article in *Politico* reported a number of comments by Le Maire on the taxation of major U.S. technology companies. According to the article, Le Maire said there was no question of “letting up [European] efforts” to compel firms like Google, Apple, Facebook, and Amazon [often collectively referred to as the “GAFAs”] to pay more taxes to EU authorities. “We have a major concern,” Le Maire said, “and we’ve recently recalled this with my German counterpart Peter Altmaier, on the GAFAs and the taxation of GAFAs.”

The article noted that Le Maire is a principal advocate of an EU-wide effort to start taxing the revenues of major U.S. tech companies, rather than their profits, which is the current standard practice worldwide. “I want Apple, as well as Google, Amazon or Facebook, to set up where they so desire,” Le Maire was reported to have said. “But when these groups create value in Europe with European consumers and data from European citizens, they have to pay their taxes….Today, they’re not paying in Europe – that’s the problem.” This tax initiative lost momentum due to opposition from some EU countries, however.

(b) (5) [redacted]

[redacted]

[APG]

[redacted]

(b) (5)

BIOGRAPHICAL INFORMATION

Minister Bruno Le Maire, 49, is a political veteran of France's center-right. He has held several senior French government positions, including Minister of Agriculture (2009-12) and Secretary of State for European Affairs (2008-09). In 2014, he competed in the center-right primary election for the French presidency. Le Maire holds degrees in French language and literature and in politics. He is an admirer of Kafka and has written several books. The Minister is interested in cars and is an avid boxer. He and his wife, Pauline (a painter), have four boys.

[APG]

[APG]

TALKING POINTS

[redacted]

[APG]

April 20, 2018

Mr. Liu He
Vice Premier
People's Republic of China
Beijing, China

Dear Vice Premier Liu:

In the interest of continuing our current discussions, (b) (1) [redacted]

(b) (1) [redacted]

[redacted] (b) (1)

Sincerely,

Steven T. Mnuchin
Secretary of the Treasury

Robert E. Lighthizer
United States Trade Representative

March 16, 2018

Mr. Liu He
Minister
Office of the Central Leading Group on
Financial and Economic Affairs
People's Republic of China
Beijing, China

Dear Minister Liu:

Thank you for your letter (b) (1) [redacted]

(b) (1) [redacted]

(b) (1)

[redacted]

(b) (1) [redacted]

We look forward to your specific responses to the points above.

Sincerely,

Steven T. Mnuchin
Secretary of the Treasury

Robert E. Lighthizer
United States Trade Representative

RE: Draft US-China MOU

From:	"McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>
To:	"Gerrish, Jeffrey D. EOP/USTR" <jeffrey.d.gerrish@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>
Cc:	"Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, "Morris, Rachel M. EOP/USTR" <rachel.m.morris@ustr.eop.gov>, "Turner, Amy C. EOP/USTR" <amy.c.turner@ustr.eop.gov>
Date:	Thu, 26 Apr 2018 23:18:46 -0400
Attachments:	Draft US-China MOU on Trade and Investment 04262018.docx (35.5 kB); Draft US-China MOU on Trade and Investment 04262018 track changes.docx (39.04 kB)

Attached is a revised MOU, which now incorporates comments received from other offices. The revised MOU is attached in both clean and track changes versions, in case you want to see the changes made to the first draft.

Terry

From: McCartin, Terry J. EOP/USTR
Sent: Thursday, April 26, 2018 5:43 PM
To: Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>
Cc: Gerrish, Jeffrey D. EOP/USTR <Jeffrey.D.Gerrish@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>
Subject: RE: Draft US-China MOU

Correct.

From: Vaughn, Stephen P. EOP/USTR
Sent: Thursday, April 26, 2018 5:43 PM
To: McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>
Cc: Gerrish, Jeffrey D. EOP/USTR <Jeffrey.D.Gerrish@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>
Subject: Re: Draft US-China MOU

Terry, this is only being circulated inside USTR, correct?

On Apr 26, 2018, at 5:40 PM, McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV> wrote:

Attached is a draft memo for ARL's meeting with Vice Premier Liu. I will circulate it now for review and clearance by other offices, but wanted you to have a chance to see it as early as possible, given the shortness of time.

From: McCartin, Terry J. EOP/USTR
Sent: Wednesday, April 25, 2018 8:52 PM
To: Gerrish, Jeffrey D. EOP/USTR <Jeffrey.D.Gerrish@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>
Cc: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>
Subject: Draft US-China MOU
Importance: High

Jeff, Jamieson and Stephen,

As requested, attached is an initial draft of a possible MOU for sharing with China in connection with next week's meetings in Beijing. (b) (5) [redacted]

[redacted]

I would be happy to sit down with you and answer any questions about the approach we have taken in the draft MOU or about specific issues or provisions that have or have not been included in it.

Terry

<Draft Memo for Meeting with Vice Premier Liu 04262018.docx>

US-China Materials

From: "McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>

To: "Gerrish, Jeffrey D. EOP/USTR" <jeffrey.d.gerrish@ustr.eop.gov>

Date: Sat, 28 Apr 2018 18:58:51 -0400

Attachments: Issues Covered (b) (5) [redacted] by Treasury.docx (18.96 kB); Draft US-China Framework v1.docx (29.72 kB); May 2018 MOU 04262018A - USTR Comments Rev 1 (clean).DOCX (32.52 kB); May 2018 MOU 04262018A - USTR Comments Rev 1 (track changes).DOCX (35.91 kB)

Jeff,

Attached are the following documents:

- A document describing the issues covered (b) (5) [redacted] in Treasury's MOU.
- A document (b) (5) [redacted]
- I went ahead and made the edits that we discussed earlier today to our revision of the Treasury MOU. I have attached clean and track changes versions.

Terry

RE: Report: Ships carrying US sorghum stuck at sea after China imposes tariffs | TheHill

From: "Stout, Doug" [redacted]mail.house.gov>

To: "Nieves-Lee, Lila E. EOP/USTR" <lila.e.nieves-lee@ustr.eop.gov>

Date: Tue, 22 May 2018 19:26:42 -0400

Attachments: Eaton Sec 232 Brazlian Finished Steel Quota.pdf (67.43 kB); Thailand Trade Final Letter.pdf (266.79 kB)

Hi Lila – I wasn't sure which one you meant, so I sent both.

The Eaton situation is very serious and could lead to the loss of 530 jobs in Kearney, NE. It is the second largest employer in a town of 30,000, which is a big city in our district. I gave a paper copy of it to Cameron tonight and discussed it with him.

If we had our way, the letter by Rep. Young would have been directed to Ambassador Lighthizer, but we agree with the sentiment. We are interested in the GSP hearing, but the Eaton situation is much more pressing at the moment.

Thank you for your assistance. - Doug

From: Nieves-Lee, Lila E. EOP/USTR [mailto:Lila.E.Nieves-Lee@ustr.eop.gov]
Sent: Tuesday, May 22, 2018 7:18 PM
To: Stout, Doug
Subject: Re: Report: Ships carrying US sorghum stuck at sea after China imposes tariffs | TheHill

Haha much appreciated! Weekends make for nice reading time.

Absolutely, as Stephen mentioned we very much want to work with Congress and stakeholders on their concerns. So look forward to continued engagement on that front!

Would you mind sending along a PDF of the letter?

Thanks much and have a good evening!

Best,
Lila

On May 22, 2018, at 7:08 PM, Stout, Doug [redacted]@mail.house.gov> wrote:

> Thanks Lila – Actually anything sent to you at almost 10pm on a Saturday night...should not be answered until at least Tuesday. You deserve the weekend off! Good to see you today. Thank you for your help. I don't think they actually sent the Young letter until yesterday or today. I brought Cameron up to speed on the Brazil steel issue a facility in our district is struggling with currently. We appreciate

the active engagement of USTR staff and the fact that Mr. Vaughn stayed and addressed all the questions. - Doug

---

From: Nieves-Lee, Lila E. EOP/USTR [mailto:Lila.E.Nieves-Lee@ustr.eop.gov]
Sent: Tuesday, May 22, 2018 5:22 PM
To: Stout, Doug
Subject: Re: Report: Ships carrying US sorghum stuck at sea after China imposes tariffs | TheHill

Apologies on my late response! And thank you for the note.

Happy to follow up on the GSP issue with you and keep you updated.

Best,
Lila

On May 19, 2018, at 9:51 PM, Stout, Doug (b) (6) [redacted]mail.house.gov> wrote:

> Hi Lila - I don't know to what extent USTR was involved, but I wanted to express our appreciation for any efforts by your office that contributed to the sorghum duties and investigation being "taken down" by China. We try to shine a light on those issues that impact our district and we appreciate our concerns being taken into consideration.
>
> On a different issue. Rep. Young recently sent a letter to the Thailand Ambassador regarding their restrictions on pork imports. We signed the letter...although we had strongly suggested that it be sent to your office, rather than Thailand. We support the intent of the letter. I had also suggested at the time that NPPC might want to consider petitioning USTR regarding their GSP status given their prohibition on pork imports. I see they have proceeded on that course. I would appreciate being informed of any developments regarding the issue as it moved forward. Thank you for all of your work! - Doug
>
> Sent from my iPhone
>
> On Apr 20, 2018, at 6:48 PM, Nieves-Lee, Lila E. EOP/USTR <Lila.E.Nieves-Lee@ustr.eop.gov> wrote:
>
>> Thanks for bringing this to my attention. Will be sure to share with the team here. As always, please reach out on these issues!
>>
>> On Apr 20, 2018, at 6:19 PM, Stout, Doug (b) (5) [redacted]mail.house.gov> wrote:
>>
>>> Thanks Lila - Unfortunately, I don't make this stuff up. - Doug
>>>
>>> >>>>http://thehill.com/policy/finance/384126-report-ships-carrying-sorghum-from-us-turn-around-after-china-imposes-tariffs?amp&__twitter_impression=true<<<<

Report: Ships carrying US sorghum stuck at sea after China imposes tariffs

By John BowdenApril 20, 2018 - 10:24 AM EDT

Getty Images

Several China-bound ships carrying U.S. sorghum exports have changed course since China's government announced a new tariff targeting the U.S. grain industry this week.

Reuters reports that 20 ships carrying more than 1.2 million tons of U.S. sorghum are currently at sea, with at least five of them announcing new courses after China's government announced a new tariff on sorghum Tuesday morning.

The grain on board the 20 ships is valued at more than $216 million, but China is now forcing grains handlers to pay a 178.6 percent tariff of the value of the shipments as a deposit upon arriving.

U.S. sorghum is relatively cheap in China due to artificial price inflation, which experts say allows the country to target a U.S. export from typically red states. China started mass importing sorghum in 2014 as a result of inflated grain prices set by China's government.

China announced the tariff on sorghum this week alongside an action meant to free up restrictions on U.S. auto exports, a decision that could benefit U.S. auto companies that do not already have a footprint in the country.

Trade analysts told Reuters that tariffs targeting U.S. grain shipments could lead to an escalation of the back-and-forth tariffs that the U.S. and China have rolled out in recent weeks.

"For their overall trade businesses, this is not that substantial. But it's a warning," Bill Densmore, senior director of corporate ratings at Fitch Ratings, told Reuters. "If China really does start slapping tariffs on everything, like soybeans and corn, things could get really ugly, really fast."

Tom Sleight, president of the U.S. Grain Council, reacted to China's most recent tariff by calling for an end to the Trump administration's escalating tough talk aimed at China's trade policies.

"This tit for tat has to stop, and talks to find reasonable and lasting solutions must begin, for the good of U.S. agriculture and the customers we have spent decades working to win as loyal buyers," he said.

Sent from my iPhone

232 auto hearing notes

From:	"Davis, Emily K. EOP/USTR" <emily.k.davis@ustr.eop.gov>
To:	"Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>
Cc:	"Emerson, Jeffrey W. EOP/USTR" <jeffrey.w.emerson@ustr.eop.gov>
Date:	Fri, 20 Jul 2018 09:21:50 -0400
Attachments:	Section 232 National Security Investigation of Imports of Automobiles and Automotive Parts Hearing Panel Notes.docx (25.08 kB)

Compiled by PAO intern Julia Brandt. This is from the morning session of the hearing.

Emily K. Davis
Deputy Assistant USTR for Public & Media Affairs
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9434 | C: (b) (6) [redacted]

Section 232 National Security Investigation of Imports of Automobiles and Automotive Parts Hearing Panel Notes: Panels 1-5

Thursday, July 19, 2018

Panel 1: 8:45 AM – 9:20 AM

- Alliance of Automobile Manufacturers, Jennifer Thomas – Vice President, Federal Government Affairs
    - Cars are not a national security issue; millions of cars are made in America
        - 7 million Americans employed by automobile manufacturing, $5 billion paychecks, $20 million invested in R&D
    - We appreciate a level playing field, but tariffs aren't the way to go; they will harm the economy
        - 232 auto tariffs are expected to cost the industry $83 billion in taxes, will decrease demand, jobs will be cut – roughly 10%
    - Retaliation threatens auto exports, which in turn threatens our competitiveness
    - "We support the administration's efforts to level the playing field," but advocate for alternative methods like updating NAFTA, and a US-EU trade pact
- American Automotive Policy Council (AAPC), Governor Matt Blunt – President
    - We share the goals of maximizing economic growth, but oppose these potential tariffs
    - FCA, Ford, and GM employ 1 out of 3 workers in the auto industry
    - American made vehicles will be at a disadvantage if this investigation results in tariffs
        - The success of the corporate tax cuts and the administration's economic agenda could be undermined by tariffs
        - The economic security of the industry would diminish for companies like FCA, Ford, GM
        - The industry could have a net loss of jobs, lower capital investment, higher production costs, and lower demand.
    - We support a modernized NAFTA, new and updated FTAs with our allies
- National Automobile Dealers Association (NADA), Peter Welch – President
    - Cited a recent study done by the Center for Automotive Research
        - If tariffs are imposed at 25%, 100% of these products will pass costs off to the consumer
        - It is estimated that annual sales will decrease by $2 million
        - It is estimated that we will lose $52 billion of our GDP
        - It is estimated that 10% of auto employees will be laid off
        - It is estimated that customers will be hit the hardest

- We do support a level playing field, but there is no basis that autos threaten national security
- The Administration should consider all the data carefully and look at the research

- National Association of Manufacturers (NAM), Linda Dempsey – Vice President of International Economic Affairs
  - Association represents roughly 14,000 manufacturing firms big and small
  - We agree with free and fair trade for autos
  - Domestic production and jobs have increased and continues to grow
  - Robust government action at underlying issues is needed rather than tariffs
    - Tariffs or quotas would be "counterproductive"
      - Import restrictions would increase cost to manufacture by $2,000
        - 35% of the value ($8,000) is made of imported parts
      - Estimated increase in the cost to import by $5,800
  - Retaliatory tariffs would also negatively impact the industry
    - Would lead to a decrease in demand and job cuts
- QUESTIONS:
  - Foreign firms that manufacture in the United States rely more on imported parts than domestic parts. Are imports endangering supply chains?
    - Most of imported data parts are from FTAs, especially Canada and Mexico. This enables affordable pricing. Supply chains make us competitive.
    - For certain components, imports are necessary. Imports allow us to remain competitive. Tariffs would increase the cost to build cars with domestic products by two-thirds.
    - Roughly 60% of auto content is domestically produced, the rest comes from "trusting allies"
    - Imports help innovation. the Department of Labor reported 441,000 open jobs in manufacturing – there should be job training for people to gain the skills necessary to fill those jobs. Trade allows for better, higher valued production; imports are only bad when they are unfairly traded or counterfeit.
  - How do discrepancies such as the previous question stated affect global competitiveness?
    - Tariffs will chill investment; the Department of Transportation and Congress have been taking action to support the auto industry
    - Our import penetration is roughly 40%. The U.S. is well positioned with auto R&D. The United States produces roughly 50% of auto R&D, giving us a leadership position. The United States is leading the global environment.
    - There are only so many pricing strategies; tariffs would be detrimental
    - #SelectUSA brings manufacturing to the United States. This investment brings money to R&D. We should look at alternatives to tariffs. CFIUS

should be updated and modernized and we'll have tools for national security.

"Commerce doesn't want to conflate CFIUS and the 232 investigation

- ½ auto exports go to NAFTA partners, ¼ go to Europe. Europe and China receive our exports. We urge the restart to T-TIP discussions. This could help grow that export number. Restarting the U.S.-EU bilateral trade pact can reduce barriers for the auto industry

Panel 2: 9:25 AM – 10:10 AM

- Motor Equipment Manufacturers Association (MEMA), Ann Wilson – Senior Vice President, Government Affairs
  - We represent over 1,000 vehicle suppliers
    - Jobs have increased in this sector roughly 19% since 2012
  - We strongly oppose tariffs. The automotive industry is not a risk of national security. The potential tariffs are a risk of economic security – jobs will be cut with most occurring in the first six months, R&D funding will drop, some firms will shift jobs abroad, tariffs will be felt through the entire supply chain
  - Alternatives: engage with trade partners invest in job training programs
- Specialty Equipment Market Association (SEMA), Daniel Ingber – Managing Director of Government and Legal Affairs
  - Special equipment is not a national security risk; 92% of our members are small businesses
  - We support free and fair trade, but oppose tariffs
  - The auto industry is a testament to American culture
  - Many small businesses cannot absorb the costs of higher production that would result from 232 tariffs
- Auto Care Association, Bill Hanvey – President and CEO
  - ACA has roughly 3,000 member companies which cover 70% of vehicle repairs and maintenance. There are roughly 4.6 million employed in the vehicle repair and maintenance sector.
  - Tariffs are estimated to cost $1.4 billion in lost wages
  - Tariffs would force members to reevaluate and even change their supply chain
  - The costs would hit consumers. We want to refrain from trade restrictions, not undermine automotives.
- The Certified Automotive Parts Association (CAPA), Clark Plucinski – Chairman
  - We are concerned with the unintended impacts. What will be the economic impact on consumers if tariffs are implemented
  - We do not support potential tariffs that would result from the 232 investigation
  - Tariffs are estimated to cause a net job loss of 10% in the auto industry
- UAW, Jennifer Kelly – Director, UAW Research Department
- Automotive Body Parts Association, Christopher Northrup – Chairman

- QUESTIONS:
  - Countries have been becoming better at R&D. How has an increase in the production of high tech auto parts affected R&D for the United States? Has it eroded? How does this impact long-term viability?
    - A lot of the tariff codes are after-market. The average car age is 11 years and consumers determine how to manage and maintain their cars. Tier 1 manufacturers are global supplies, and it is important that they get inputs from all over the world. We need to have parts (sensors) brought into the U.S., then programmed and tested here. Europe is doing more regulation to keep up with us in this regard. Cyber security and other requirements are expensive and we may lose our leadership role if we continue with action such as potential tariffs.
    - Specialty markets being as after-market parts OEM often integrates into standard autos. Tariffs would harm R&D which keeps us competitive. The specialty market is a highly elastic market and tariffs would hurt the auto market having long-term negative effects on viability.
    - R&D investments that our suppliers are making is significant. You should visit some of these sites. Also, 11.7 years old is the average age of a car, not 11. Regardless, we should train American auto workers to keep the technological demands of tomorrow's vehicles possible.
    - In our industry, exterior parts are also known as body shops. When we look at the potential impact of tariffs, investment will be hurt – a sensitive point, but important. After-markets R&D is shared and a viable part of the industry. As far as the long-term impact, public transportation will also be affected. Anytime affect the motor industry, we effect people's ability to go to work, to provide for their families, and to pay taxes.
    - Auto parts are always a major issue. A few years ago, doing R&D testing was different. Now we're using the same testing that OE's use and make sure manufacturers are following standards.
    - Tariffs will affect costs of parts in low wage countries. Other countries, like China and Germany, support other policy prescriptions like support domestic manufacturing and demand. There aren't mandates or same incentives in the United States.
    - There are three major areas in the world where cars are manufactured: North America, Europe, and Asia. We should be more creative to compete. In OE auto sector jobs increased roughly 20%.
  - U.S. auto footprint: In 1985, we were a net exporter. Now we are a net importer. Our trade deficit is largely driven by high value electronics. How at risk are we for not having domestic products like this for our auto industry?
    - Most of what you're referring to is from non-suppliers e.g. sensors. Value comes from our programming here in the United States (value-added). If we no longer have free trade flow, we'll lose jobs and R&D because programming will be done elsewhere.

        - Entrepreneurship and ingenuity gives us our advantage. If we cannot harness it, it harms our industry and grows our deficit.
        - We need to keep our NAFTA allies close. IPR would cement our leadership, protect us, and ensure IPR is protected. IP goes hand in hand with what we are talking about.
        - Development, technology, creation all happen here. Outsourcing manufacturing and programming domestically must remain in effect.

Panel 3: 10:15 AM – 10: 55 AM

- Webasto Roof Systems, Dr. Holger Engelmann – CEO
    - We have six sites in the U.S. and 1,800 highly skilled employees. We have been expanding our presence in the United States since the '70s.
    - We are enormously loyal to U.S. consumers. We try to source as much as possible in the countries we are manufacturing in – localization is very important.
    - Tariffs put an enormous pressure on the industry. It would affect us anywhere from $12 - $18 million cutting into R&D in the U.S. as well as jobs. The investigation is troubling. Tariffs will add uncertainty and harm the industry. Tariffs are not in line with American values. Open markets and free trade align with American values.
- Miller & Company, PC, Marshall V. Miller – President
    - Tariffs would negatively impact the vintage car industry. I've done this for 40 years. All of this is focused on foreign trade zones. A duty of 25% was imposed 55 years ago under the Trade Expansion Act of 1962, and people stopped importing.
    - There are 29 million vintage vehicles in U.S. from $10k in value to $70 million.
    - Duties resulting from the 232 investigation will stop business. 9 harmonized tariff schedules target vintage vehicles and parts. Vintage cars and parts should not be included in 232. They are irrelevant to national security. There would be a chilling effect in the vintage car industry if they were not exempt from the potential tariffs.
- Hyman, LTD, Mark Hyman – Owner
    - I am requesting an exemption from the 25% tariffs. 70% of the vintage car business is international with the EU, Middle East, South America, and Asia.
    - Americans only purchased $1.5 billion (5%) worth of vehicles last year.
    - Tariffs would have a lasting negative affect on the industry. I am concerned that retaliatory efforts would also halt business and cut us off from our partners.
        - Costs will soar, values could collapse, hospitality industry also negatively affected - thousands of events are hosted for vintage cars that bring consumers from all over the world.
    - Vintage vehicles pose no threat to national security.
- Cosdel International Transportation, Mark Hymann – On Behalf of Martin Button

- Hymann read out a letter written by Martin Button in which he requested a product exemption.
  - Autos should not be considered national security.
  - Autos are part of American individuality, family life, and innovation.
  - The industry values vintage cars from thousands to tens of million – most recently a car sold for $70 million. This would not have happened if tariffs were imposed.
  - The effect of tariffs would be overwhelmingly negative.
- Polaris Industries, Inc., Paul C. Vitrano – Senior Assistant General Counsel
  - Polaris has over 8,700 employees in over 30 states. We are seeking exemptions on ATVs, snowmobiles, and ORVs including our products used by the military. These products are not intended to be driven on the road like other vehicles, so they shouldn't be included.
  - Commerce should define the 232 scope better. The Department should limit it to four wheel vehicles subject to certain safety and performance standards and include only "in-scope" vehicles.
  - We are U.S. military suppliers meaning we produce light tactical military vehicles which benefit from global supply chains.

- QUESTIONS:
  - How much of your supply chain for off-road vehicles coincides with those of on-road vehicles?
    - Quite a bit. They share common codes with vintage cars and on road vehicles. They overlap with the fundamental building of other vehicles, but there is a lot of innovation that goes into the creation of these other vehicles. R&D engineers spent a lot of money to make us the world leader, and the military chose us for that reason.
  - We have a large auto trade deficit. How do you view the United States as a leader of electrification vehicles?
    - The R&D side is sitting in the United States locally, not Europe or China. The U.S. has very capable companies, so the United States is very competitive in electronics.

Panel 4: 11:00 AM – 11:30 PM

- National Association of Foreign Trade Zones (NAFTZ), Erik Autor, - President
  - FTZs are responsible for $72 billion in exports and $223 billion in imports. Automobile and auto part manufacturing play a major role in growing local businesses in FTZs all over the country.
  - BMW and Mercedes are two of the largest exports in the U.S. and operate in FTZs. But BMW is considering moving to China.

- There is no evidence that automobiles and auto parts are an imminent threat. The 232 investigation is unjustified. Tariffs will increase costs, drive global competitiveness down, and cost a net loss of 158,000 jobs in the U.S.

- Center for Freedom and Prosperity, Brain Garst – Vice President
    - I am here to ensure consumer interests and our nation's welfare are represented
    - Section 232 is typically used during wartime. They are rare. In this case there is not a clear national security threat. This is based on economic justifications that are wrong using failed protectionist policies. Nations that imposed high levels protectionism post WWII, like New Zealand and Australia, stagnated, but saw positive changes when protective policies were lifted.
    - Tariffs will strain our relationship with our allies and increases prices on consumers.
    - The threat must be clear and significant.
    - America maintains largest and most robust military in the world. The stronger our economy, the more money for defense spending. The nation's debt is biggest security threat according to General Mattis.
    - Referenced PIEE estimates on job loss due to tariffs.
- National Taxpayer Union Free Trade Initiative, Bryan Riley – Director
    - Being American is about freedom and I was thinking about Independence Day and how we broke away from a country that cut our trade off from the rest of the world among other things, and I don't think that this should be lost on us.
    - Tariffs will increase cost and is essentially a tax on consumers. In 1983, a section 232 investigation led to trade restrictions that were a drag on the economy. Recently, over one thousand economists, including numerous Nobel Laureates, signed a letter to the President. Powell recently advocated for open markets in his testimony and Kevin Brady. Tariffs are not trade remedies. They are viruses.
    - Roughly 98% of the online comments submitted to Commerce are negative.

Panel 5: 11:35 AM – 12:10 PM

- Association of Global Automakers, John Bozzella – President and CEO
    - There is no support that these imports threaten national security. Auto sales and auto production are near all-time highs.
    - Within the online comments that Commerce has allowed companies to submit, only three were positive. Associations have sent letters to the President. The industry is united in its opposition.
    - Trade and imports have strengthened industry by making it competitive and sparking innovation. The greatest threat is possibility of being faced with a tax resulting from this investigation.
- LG Electronics and LG Electronics Vehicle Components USA, Joseph T. Boyle – Senior Director, Business Development & Sales
    - Vehicle components are LGs fastest growing sector.

- The tariffs are a bad idea and will harm workers and consumers.
- LG is opening a new factory in Detroit, but it was decided last year, not as a result of this investigation or tariffs.
- Trade restrictions make it less attractive for local investment. Trade restrictions create doubts and uncertainty. The auto industry relies on open markets. Freedom for total optimization is necessary for future planning and growth.
- U.S. competitiveness has been driven by importing parts and supplies.
- Please identify which HTS are subject to this investigation. The categories are very broad.

- Hyundai Motor Manufacturing Alabama, John Hall – Maintenance Team Member
  - I've worked for Hyundai since 2005 and it has transformed Alabama's economy and created jobs. Global trade is key. Imports and exports are essential to our industry.
  - Korea's imports do not pose a threat. Our KORUS FTA has outlined new terms to enhance our national security.
  - Some may view Hyundai as a foreign auto maker. Over 50% of auto production occurs in Alabama. Alabama and Georgia are an auto cluster that has transformed their economies. Hyundai employs 25,000 workers in Alabama and 45,000 total across the country.
  - Tariffs would result in decreased production, increased costs, and job cuts.
- Korean Automobile Manufacturers Association (KAMA), Yong-Geun Kim – President and CEO
  - The auto industry is a globalized industry with complex supply chains.
  - If the U.S. imposed tariffs, it would increase costs of production and prices.
  - Thanks to the KORUS FTA, sale of U.S. autos in Korea is expected to increase in the coming years.
- QUESTIONS:
  - The share of U.S. auto production by domestic firms has decreased and import penetration has increased in other countries. What are your thoughts on that?
    - The U.S. auto market is the most competitive and innovative. We have 14 soon to be 15 manufacturers. There are currently 42 different models being designed here. R&D is being conducted in 17 different states. NAFTA has been seamless – ½ of our auto exports are through NAFTA. If you take those out, we resemble the EU. We benefit from NAFTA.
  - What is the relationship between R&D and manufacturing?
    - Most R&D for LG is in Korea, but as electrification in the U.S. is increasing here, many are investing in the Detroit area and we need to be close to that. We have been steadily growing domestic R&D.
  - A major part of our trade deficit is in electronic components and parts. Are we vulnerable to not having U.S. sources?
    - The auto industry is a global industry so parts will be manufactured all over the world. Domestic design is very capable especially when it comes to software development – example: GM. By utilizing internal expertise,

we can develop here and source for parts. Domestic Oms are growing and are pushing to internalize IP. The U.S. is very serious and secure when it comes to IP.

FW: Update: Alcoa & Impact of Section 232 Tariffs

From:	"Gerrish, Jeffrey D. EOP/USTR" (b) (6) [redacted]
To:	"Morris, Rachel M. EOP/USTR" <rachel.m.morris@ustr.eop.gov>
Date:	Wed, 25 Jul 2018 09:14:13 -0400
Attachments:	TariffImpact.pptx (1.88 MB)

From: ONeill, Michelle L (b) (6) [redacted]alcoa.com>
Sent: Tuesday, July 24, 2018 10:57 PM
To: Gerrish, Jeffrey D. EOP/USTR <Jeffrey.D.Gerrish@ustr.eop.gov>
Subject: [WARNING: UNSCANNABLE EXTRACTION FAILED][EXTERNAL] Update: Alcoa & Impact of Section 232 Tariffs

Dear Ambassador Gerrish,

I thought you might be interested in information that Alcoa shared during its earnings call last week regarding the impact of the Section 232 tariffs on our business. The attached slide details what was shown investors. The key message from our CEO Roy Harvey was that while we appreciate the Administration's efforts to address the challenges facing the industry, the tariffs on U.S. aluminum imports do not remedy the underlying structural issues of the U.S. and global aluminum industries.

Even if all U.S. curtailed smelting capacity was back on line and producing metal, the U.S. would still need to import the vast majority of its required primary aluminum, with approximately 60 percent from Canada, which is key to the North American supply chain. We reported in our earnings the cost of the tariffs, which is impacting Alcoa by about $15M a month for imports, primarily from Canada. The Wall Street Journal on July 20 carried an editorial related to the impacts that the tariffs were having on U.S. companies.

We continue to ask the Administration to exempt Canada from the tariffs, and address the unfairly subsidized smelting capacity in China that has resulted in an unlevel playing field and surplus production.

Please let me know if you have any questions – or need any additional information.

Best, Michelle

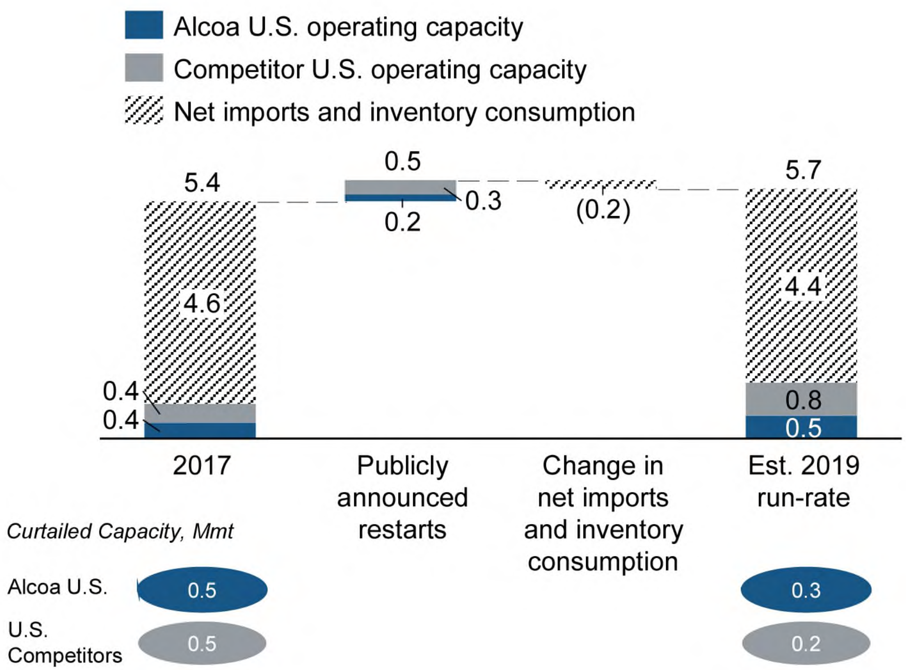
Michelle O'Neill | Senior Vice President, Global Government Affairs & Sustainability
Office+1 202 956 5318 | (b) (6) [redacted]alcoa.com

The Element of Possibility™ Alcoa

Alcoa

U.S. Primary aluminum market estimates and update

Est. U.S. Primary aluminum supply, Mmt



Challenges and solutions for U.S. smelting

U.S. remains an import market

- 232 tariffs supported restart of 0.3 Mmtpa of curtailed U.S. competitors' capacity in 5.7 Mmtpa U.S. market
- Alcoa's Warrick restart based on integrated site cost efficiencies; Alcoa has remaining curtailed capacity at Wenatchee, Warrick and Intalco
- If all remaining curtailed U.S. capacity restarts, U.S. will still import ~4 Mmtpa, ~60% from Canada

232 tariffs yield mixed results

- U.S. aluminum producers benefit from higher premiums
- Distorts market by bringing aged, inefficient capacity on line; newest U.S. smelter is ~40 years old
- Increases costs for U.S. downstream manufacturers

What would make aluminum investment attractive

- Lower capital investment requirements, long-term energy solutions and competitive regulatory environment

Slide from Alcoa 2Q 2018 Earnings

Source: CRU, company reports and Alcoa analysis.

Fwd: [EXTERNAL] Auto Round Table follow-up

From: "Walters, Gregory M. EOP/USTR" <gregory.m.walters@ustr.eop.gov>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>, "Mahoney, C.J. J. EOP/USTR" <curtis.j.mahoney@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Melle, John M. EOP/USTR" <john_melle@ustr.eop.gov>

Date: Thu, 02 Aug 2018 10:32:12 -0400

FYI

Begin forwarded message:

From: Charles Uthus (b) (6) [redacted]@americanautocouncil.org>
Date: August 2, 2018 at 10:14:54 AM EDT
To: "Pataki, Tim A. EOP/WHO" (b) (6) [redacted]@who.eop.gov>, "Willems, Clete R. EOP/NSC" (b) (6) [redacted]@nsc.eop.gov>, "Walters, Gregory M. EOP/USTR" <Gregory.M.Walters@ustr.eop.gov>, "Heath.tarbert@treasury.gov" <Heath.tarbert@treasury.gov>, "MPlatt@doc.gov" <MPlatt@doc.gov>
Cc: Matt Blunt (b) (6) [redacted]@americanautocouncil.org>, Nicholas Coutsos (b) (6) [redacted]mericanautocouncil.org>, Teddy Coin <tcoin@americanautocouncil.org>
Subject: [EXTERNAL] Auto Round Table follow-up

All,

Thank you for convening yesterday's auto round table discussion on trade policy. I have been closely involved in auto trade policy for nearly 25 years now and the group you brought together represented an unprecedented broad scope of the auto sector. I cannot recall so many stakeholders from the auto industry in the room at the same time and largely unified in their views.

While each of AAPC's member companies had an opportunity to speak, I did not, so as follow-up here are a few points I wanted to share:

First, I want to be clear that we share your goal of maximizing the strength and competitiveness of America's automotive sector. No other companies have as much at stake in the success of the U.S. auto sector than AAPC's member companies - FCA, Ford and GM. These three companies produce more of their vehicles, buy more of their parts, and conduct more of their R&D in the U.S. than their competitors. As a result, they employ nearly two out of three U.S. autoworkers and operate three out of five American auto assembly plants.

Our members are increasingly concerned with the layering of added costs on building cars/trucks in America and the high-level of uncertainty stemming from this Administration's trade policy actions and plans, including the steel/aluminum 232. China 301, Auto 232, and the incomplete negotiations to modernize NAFTA. As the burden of these policy changes pile on and the related uncertainty persists and grows, so does the unintended consequences. So, we strongly recommend expeditiously pursuing negotiated settlements and outcomes. We believe this is the only way to avoid a tit-for-tat trade fight where everyone loses.

Our top priority is getting and agreement modernizing NAFTA across the finish line as soon as possible. Of the various trade policy initiatives, NAFTA modernization is the most advanced and closest to conclusion. Once that is concluded, then turn your attention to addressing and completing the remaining issues. We expect that once the parties reach a principle agreement on modernization of NAFTA, that the 232 actions on steel and aluminum will be lifted and they will be exempt from any potential action on the auto 232. This is important in that we cannot wait for relief from the growing cost pressures as the longer more formal agreement approval process plays out.

We were encouraged with the results of the US-EU summit meeting last week, and expect that that process will eventually lead to a full US-EU FTA, including addressing auto tariffs and regulatory convergence. In the meantime, as the talks continue, we expect a suspension of steel and aluminum 232 tariffs, and exemption from the auto 232 tariffs. We look forward to working with the bilateral US-EU Working Group that was established to determine the scope and parameters of the bilateral talks.

We have deep concerns with the impact that higher tariffs stemming from an auto 232 action would have on the industry. These include the adverse impact on the ability of many Americans to afford purchasing cars and trucks in America, the expected net loss of American jobs, and the higher costs to build cars/trucks in the US - harming the global competitiveness of the U.S. auto sector. The submission we provided on the auto 232 and the testimony given by Governor Blunt, President of AAPC, at the auto 232 hearing provides more details, including the key data points you were looking for.

While we share the same goal - of a stronger U.S. auto sector - we are concerned that the imbricating layers of unintended costs and burdens from changes to trade policy outlined above will harm the industry more than any intended benefits we may receive.

You asked us to be constructive and offer solutions. To that end, we first recommend completing the NAFTA talks as soon as possible, which is so close to a conclusion. With regards to the remaining policy initiatives that impact the auto sector we offer, as we did with NAFTA, to partner with you to help achieve our common goals while avoiding the aforementioned negative consequences.

Thank you,

Charles

Charles D. Uthus
Vice President International Policy
1030 15th St. NW Suite 560W
Washington D.C. 20005
T. (202) 789-0030
F. (202) 789-0054
[redacted] (b) (6) americanautocouncil.org

AMERICAN AUTOMOTIVE POLICY COUNCIL

Re: Ford Focus News

From: jamieson.l.greer@ustr.eop.gov

To: "Young, Stewart B. EOP/USTR" <stewart.b.young@ustr.eop.gov>

Date: Fri, 31 Aug 2018 13:23:14 -0400

Thx

Sent from my iPhone

On Aug 31, 2018, at 1:10 PM, Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov> wrote:

Jamieson – FYI.

Key messages:

- We have made a business decision to stop development of the Focus Active crossover for U.S. customers due to the negative financial impact of new tariffs on vehicles imported from China
- To be clear, this decision to cancel this import does not mean we will build it in the U.S. It simply will not be available in the U.S.
- 80 percent of what we sell in the U.S. is built in the U.S.
- We are the largest U.S. exporter of vehicles. And we are a net U.S. exporter to China

Ford cancels Focus crossover for US due to tariffs
The Detroit News
Ian Thibodeau
August 31, 2018

Ford Motor Co. will not sell its new China-built Focus Active crossover in the United States due to tariffs imposed on Chinese imports by President Donald Trump, the automaker said Friday.

The vehicle, previously expected to arrive in the U.S. by late 2019, would have been built in China by Ford and shipped to the United States. Recent tariffs imposed on Chinese imports by the Trump administration — and those expected to be levied on imported vehicles — would have trimmed profits on an already low-margin vehicle.

The decision comes as the automaker jostles with an aging portfolio deemed unfit for the SUV-and-crossover-heavy desires of consumers in the United States and other major markets. Ford leadership under CEO Jim Hackett is pushing for 10 percent profit margins in North America — 7.4 percent in the second quarter — prompting Ford leadership and managers to adopt a "Return to 10" mantra they're using to help guide decision-making on future product and business strategy.

"Given the negative financial impact of the new tariffs, we've decided not to import this vehicle from China," said Kumar Galhotra, Ford president of North America. "The significant thing that moved was the tariffs going up substantially higher. We're choosing to deploy resources elsewhere."

Crosstown rival General Motors Co. had asked the U.S. government for an exemption from the tariffs for its China-built Buick Envision. Galhotra said Friday that Ford did not seek an exemption for the Active.

“This is just the first of many such announcements,” said Kristin Dziczek, vice president of the Center for Automotive Research. She predicted tariffs on Chinese imports, compounded with a possible 25-percent tariff on all imported cars and parts, would push a lot of product out of the U.S. market.

“Many models will be withdrawn from the U.S. market, and many won’t be built in the U.S. at all,” she said. “There are a whole lot of implications for the automotive industry and for consumers in terms of choice and prices.”

Ford is currently in the midst of cutting $25.5 billion in operating costs to prepare for the industry's uncertain future, as well as spending $11 billion to restructure its global businesses. By 2020, it projects nearly 90 percent of its vehicles sold in North America to be trucks, SUVs or commercial vehicles.

Since becoming CEO in May 2017, Hackett has pushed for quicker decision-making among Ford's top ranks. With news of further Trump tariffs swirling again this week, the automaker made the decision to nix plans to import the China-built Active on Thursday.

The vehicle, built in Europe and China, will be sold exclusively in the European and Chinese markets. North American production of the current generation Focus ended earlier this year at Michigan Assembly Plant in Wayne when the automaker began to convert the plant to produce the 2019 Ranger and 2020 Bronco.

Ford had projected to sell fewer than 50,000 Focus Active crossover vehicles annually in the United States. The Dearborn automaker expects the impact of dropping the vehicle from the future portfolio to be "marginal," Galhotra said.

The decision slightly delays Ford's plans to transition from sedans to new crossover "silhouettes." The automaker intends to cut its passenger car lineup by more than 80 percent, eliminating the Taurus, Fiesta, Fusion, C-Max and Focus sedans within a few years.

The Focus Active was expected to fill in the space left by those sedans. Company officials had said several times the crossover design was more desirable to consumers than a sedan.

Galhotra declined to comment specifically Friday on what Ford would offer consumers displaced by the coming lack of sedans in the lineup. The automaker has stressed it will not

turn away from entry-level vehicles in pursuit of greater profit margins, and will replace the sedans with similarly affordable vehicles.

In August, Hau Thai-Tang, Ford's executive vice president of product development and purchasing, said Ford's North American lineup will have grown by three vehicles by 2023 despite plans to cut sedans.

Galhotra on Friday stressed that Ford will have options for its U.S. consumers: "It didn't make sense for us to continue to invest in this program. We're looking at the entire landscape, and we're thinking through what other products we can offer customers."

Sam A. Scales
Ford Motor Company
(b) (6) [redacted]

Apple Products

From: "Hoffmann, Justin D. EOP/USTR" <justin.d.hoffmann@ustr.eop.gov>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Sanford, Jim C. EOP/USTR" <james_sanford@ustr.eop.gov>

Date: Mon, 17 Sep 2018 12:36:54 -0400

Attachments: Response to Apple Public Comments_Sept2018.docx (16.41 kB)

DELIBERATIVE / PRE-DECISIONAL / FOR USTR USE ONLY

Jamieson,

Attached is a brief chart showing the tariff lines that Apple noted in its public comment on the $200 billion list. (b) (5) [redacted]

(b) (5) [redacted]

Please let us know if you have any additional questions.

-Justin

Justin D. Hoffmann
Director for Industrial Goods
Office of the U.S. Trade Representative
Executive Office of the President
Justin.D.Hoffmann@ustr.eop.gov
(202) 395-2990

Tariff Code(s) Identified	Company Comment	USTR Comment
Annex A – Tariff Codes Covering Apple Products		(b) (5) [redacted]
85176200	Apple Watch, AirPods, HomePod, BeatsWL, AirPort, Time Capsule	
84715010	MacMini	
84716090	Apple Magic Mouse and Trackpad, Apple Pencil	
84718010 85044070 85044085 85044095 85366980 85444220 85444290	Apple adapters, chargers, cables and cords	
42023160 42029190 42050080	Apple leather covers and cases for iPhone, iPad, MacBook and Apple Pencil	
Annex B — Tariff codes covering Apple inputs for U.S. operations		(b) (5) [redacted]
84715010	Apple main logic boards with microprocessing units	
84733011	Memory modules, Video graphic/audio cards and PCBAs	
84733051	Apple computer parts (e.g., housings and internal components)	
84798994	Equipment used for research, development, testing and engineering	
85366980	Electrical connectors	
84716070	Apple MacBook internal keyboards and trackpads	
85340000	Printed circuit boards	

PP.chinaautos.arl.180831.f.pptx

From:	"Reif, Timothy M. EOP/USTR" (b) (6) [redacted]
To:	"Chapman, Dereck C. EOP/USTR" <dereck.c.chapman@ustr.eop.gov>
Date:	Fri, 05 Oct 2018 10:09:31 -0400
Attachments:	PP.chinaautos.arl.180831.f.pptx (1.01 MB)

U.S. TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT

China Autos

August 31, 2018

Contents

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1. Executive Summary

Conclusions and Recommendations

[redacted]

(b) (5)

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2. China's Auto Market: (b) (5) [redacted]

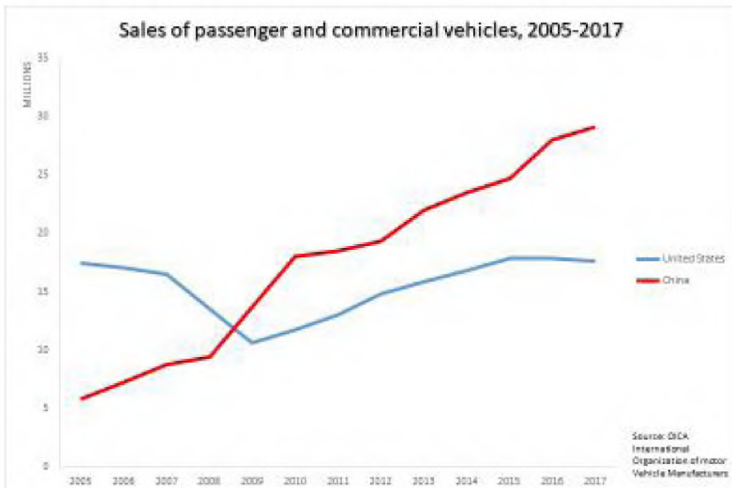
China Autos Market

- China is the world's largest automobile market, with 29 million vehicles sold in 2017, 25% of global sales.

(b) (5)

[redacted]

- In 2017, GM sold more than 4 million vehicles in China and 3 million in the United States, Ford sold 1.2 million in China and 2.5 million in the United States, and FCA sold 215 thousand in China and 2 million in the United States.



China NEV Market

(b) (5)

[redacted]

China Automotive Batteries and Electric Buses

(b) (5)

[redacted]

9

3. China Auto Policies & (b) (5) [redacted] Approach

China's (b) (5) [redacted] Approach

- China uses a range of industrial policies and practices to create "national champions" in key sectors.

(b) (5) [redacted]

(b) (5) [redacted] **China's Auto Policies**

(b) (5) [redacted]

China Discriminates Against U.S. Carmakers In Both Exports and Investment

(b) (5)

[redacted]

Impact of China's Phase I Policy Supports on Sales Price (b) (5) [redacted]

(b) (5) [redacted]

4. Core U.S. Goal and Strategy

Core Goal for U.S. Automotive Industry –
Strategy To Counter Chinese Industrial Policies

(b) (5)

[redacted]

(b) (5)

[redacted]

Recommendation:

(b) (5)

[redacted]

Elements of a More Effective U.S. Response

(b) (5)

[redacted]

Typology of Potential Commitments

(b) (5)

[redacted]

Additional Recommendation:

(b) (5) [redacted]

(b) (5) [redacted]